Business Central 1099

Complete Setup, Generation, and Submission Guide

For Microsoft Dynamics 365 Business Central Version 27.x

(2025 Release Wave 2)

Table of Contents

Part 1: Prerequisites and Planning

1.1 IRS Requirements Overview

Before you begin, understand these key IRS requirements:

- **10+ information returns:** If you file 10 or more information returns, you MUST file electronically
- **Vendor deadline:** Copy B must be sent to vendors by January 31st
- **IRS deadline:** 1099-NEC due January 31st; 1099-MISC due February 28th (March 31st if e-filing)

1.2 Obtain Your IRS Transmitter Control Code (TCC)

⚠ **IMPORTANT: Apply for your TCC early — it can take up to 45 days to process!**

To submit 1099s electronically via IRIS from Business Central, you need a TCC. In version 27, Business Central integrates directly with the IRS IRIS system, making the TCC essential for electronic filing.

1. Go to the IRS IRIS Application page: irs.gov/tax-professionals/iris-application-for-tcc
2. Create an ID.me account if you don't have one (allow 72 hours for account recognition)
3. Log in and select 'IRIS Application for TCC'
4. Select your organization type and enter your EIN
5. Choose 'Taxpayer Portal' for Transmission Method
6. Select Role: 'Issuer' (for your own company) or 'Transmitter' (for multiple companies)
7. Select 'Form 1099 Series' for Forms
8. Add at least 2 Responsible Officials (unless sole proprietor)
9. Each Responsible Official must sign with their 5-digit PIN
10. Wait for approval — your TCC will begin with 'D'

Note: You can view and use your TCC before receiving the acceptance letter via mail.

1.3 Gather Required Information

Before setup, collect:

- Your company's Federal Tax ID (EIN)
- IRIS Transmitter Control Code (TCC)
- List of all vendors requiring 1099s
- W-9 forms with vendor Federal ID Numbers (TIN/EIN/SSN)
- Vendor email addresses (for electronic delivery consent)

Part 2: Initial Configuration via IRS Forms Guide

2.1 Run the IRS Forms Guide Wizard

1. In Business Central, use Search (Alt+Q) and enter Assisted Setup.

2. Search for the line under report on financial health called Setup IRS Forms Feature

3. In the Reporting Year field, enter the tax year (e.g., 2025 for 2025 tax year filings)

IRS Forms Guide

Create new setup, or transfer existing data

If you're setting up Business Central, choose Create New Setup. Business Central will create the forms and associated setup so you can fill out and print them. If you're upgrading and already have data for your 1099 form, choose Transfer Existing Data. Both options require you to specify the reporting year for the tax data to the IRS. The data creation or the transfer process starts when you finish the guide.

Reporting Year · · · · · · · · · · · · · · · · ✱

Back | **Next** | Finish

4. Configure the following options: Collect Details For Line (enable to store transaction-level details, recommended for audit trails) and Protect TIN (choose to mask taxpayer IDs on printed forms, displays as XXXXX1234)

IRS Forms Guide

Specify the features of the IRS Forms

Specify how the IRS Forms feature will be used in your company.

Collect Details For Line · · · · · · · · · · · 🔘

Protect TIN · · · · · · · · · · · · · · · · · · None ⌄

Business Name Control · · · · · · · · · · · RENE

5. Configure Email Subject and Body templates for vendor notifications in the IRS forms setup page under Email content Setup.

Go to Pages and Tasks   Show all (6)

> IRS Forms Setup   Administration   🔖

IRS Forms Setup

Email Content Setup   Setup IRIS User ID   More options

General

Collect Details For Line · · · · · · · · · · · · · ⬤   Protect TIN · None ⌄

IRIS

Business Name Control · RENE

IRIS API Client ID · 13ed0486-c45a-4f73-8ef9-440a0b7c4287

IRS 1099 Email Content Setup   ···

Email Subject   Show less

1099 Form Copy for Your Records

Email Body   Show less

Dear Sir/Madam,

We hope this email finds you well. As part of our tax reporting process, we are attaching the 1099 copy substitution form for the payments made to you during the past year. Please review the form, and if you have any questions or need further clarification, feel free to reach out.

Thank you for your prompt attention to this matter. We appreciate your continued partnership.
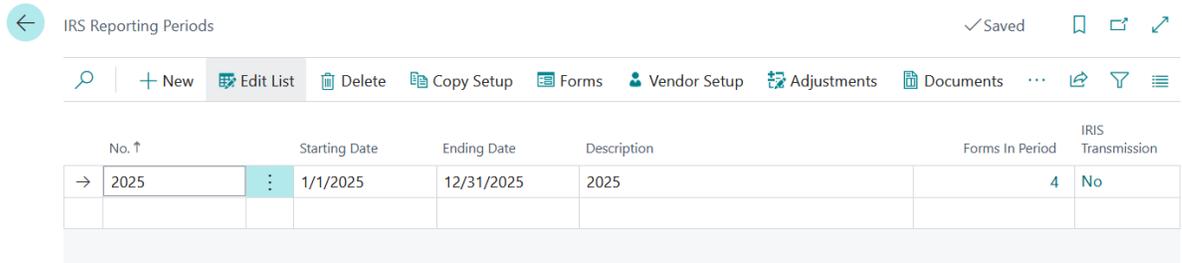
Best regards,

OK   Cancel

Part 3: Set Up IRS Reporting Periods

3.1 Create a Reporting Period (only required if the setup wizard was not run, or to setup new reporting periods in future years)

1. Search for IRS Reporting Periods
2. Click + New to create a new period
3. Enter the Starting Date (e.g., 01/01/2025)
4. Enter the Ending Date (e.g., 12/31/2025)
5. Enter a Description (e.g., "2025 Tax Year")

← IRS Reporting Periods						✓ Saved 🔖 ↗ ⤢

🔍 | + New | 🗒 Edit List | 🗑 Delete | 🗐 Copy Setup | 🗃 Forms | 👤 Vendor Setup | 🗂 Adjustments | 🗎 Documents | ··· ↗ ▽ ☰

	No. ↑		Starting Date	Ending Date	Description	Forms In Period	IRIS Transmission
→	2025	⋮	1/1/2025	12/31/2025	2025	4	No

3.2 Copy Setup from Previous Year

If you have prior year data:

1. From the IRS Reporting Periods page, select Copy Setup From...
2. Select the previous period to copy
3. Click OK

Tip: Create the next year's period early so new transactions are captured for future reporting.

Part 4: Set Up Vendors for 1099 Reporting

4.1 Configure Individual Vendor Cards

1. Search for Vendors and open the vendor list
2. Open the vendor card for a 1099-liable vendor
3. Go to the Payments FastTab
4. Enter the vendor's Federal ID No. (TIN/EIN/SSN from W-9)
5. For FATCA requirements, enable the FATCA Requirement toggle if applicable
6. On the Vendor Card, go to more options -> related-> Purchases-> IRS 1099 setup
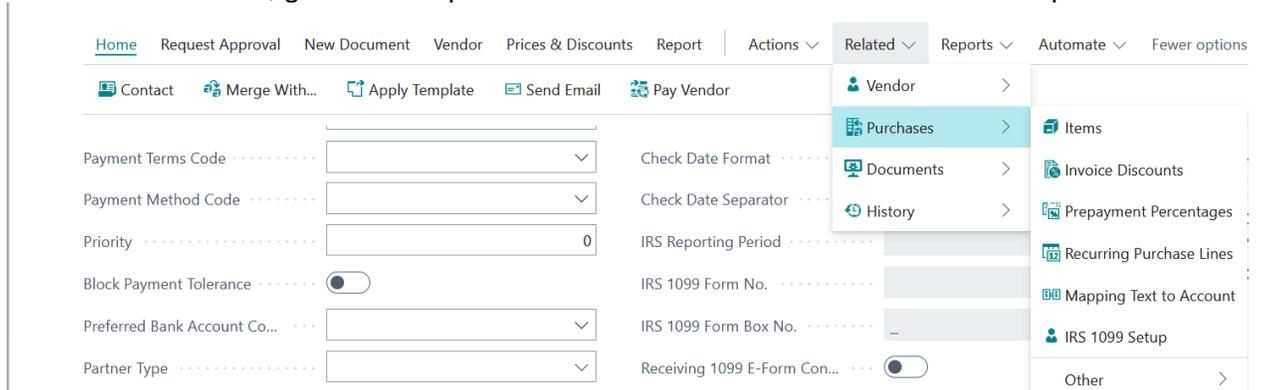
7. Select your reporting period(s) and the applicable 1099 Form and box No.

4.2 Set Up Electronic Delivery Consent

To email 1099 copies to vendors:

1. On the Vendor Card, go to Address & Contact FastTab
2. Ensure Email field is populated
3. Go to Payments FastTab
4. Enable Receiving 1099 E-Form Consent toggle
5. Optionally, enter a different email in E-Mail For IRS field

Note: Enabling consent acknowledges the vendor provided signed consent to receive their 1099 electronically.

4.3 Bulk Vendor Setup via IRS Reporting Periods

1. Search for IRS Reporting Periods
2. Select the appropriate period
3. Click Vendor Setup
4. Review and update vendor information in bulk:
- Vendor No.

- Form No. (MISC, NEC, INT, DIV)
- Form Box No.
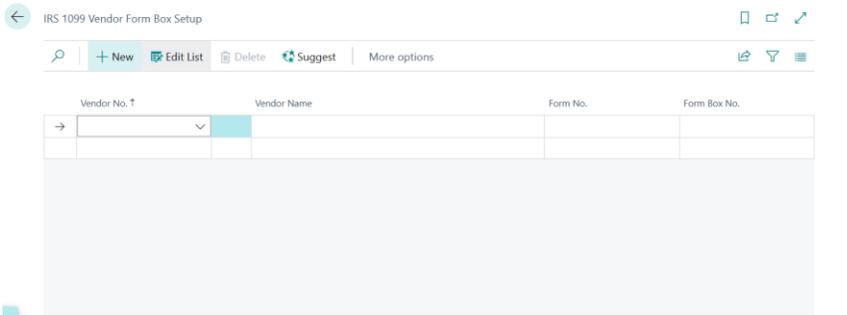
This bulk setup will still require setting up the Federal ID number on each vendor.

Part 5: Process and Review 1099 Data

5.1 How Business Central Calculates 1099 Amounts

In version 27, Business Central calculates 1099 amounts from:

- Posted and paid purchase invoices for vendors with 1099 codes assigned
- The IRS 1099 Code and Amount fields are automatically populated in Vendor Ledger Entries after posting
- Amounts are tracked at the document level in IRS 1099 Form Documents

5.2 Correct 1099 Amounts

Method 1: Edit Vendor Ledger Entries

- Search for Vendor Ledger Entries
- Click Edit List
- Find and modify IRS 1099 Code and IRS 1099 Amount fields

IRS 1099 Reporting Period	IRS 1099 Form No.	IRS 1099 Form Box No.	IRS 1099 Reporting Amount	
			0.00	
			0.00	

Method 2: Use 1099 Adjustments

- From IRS 1099 Vendor Form Box Adjustments select the period number
- Select Vendor, Year, and enter adjustment Amount
- Use positive amounts to increase, negative to decrease

5.3 Propagate 1099 Codes to Historical Transactions

If vendors weren't set up for 1099 before transactions were posted:

- When you change the 1099 code on a Vendor Card, BC prompts to update associated entries
- This propagates the code to purchase documents, journal lines, posted invoices, credit memos, and vendor ledger entries

Part 6: Create 1099 Form Documents

6.1 Generate Form Documents

1. Search for IRS 1099 Form Documents
2. Click Create Forms action
3. In the Period field, select your reporting period
4. Choose options: Filter for specific vendors (optional), select specific form types or generate all, enable Replace to recreate existing forms
5. Click OK

6.2 Review Form Documents

1. Review each document in the IRS 1099 Form Documents list
2. Verify the Amount field for each vendor
3. Check that Federal ID numbers are present
4. Review any warnings or errors

Note: When you post invoices and apply payments after creating forms, the Amount field on the document automatically updates.

6.3 Release Form Documents

Before submission, each document must be released:

1. Select a form document
2. Click Release action
3. For bulk release, select multiple documents and click Release All

*Note: Documents move from Open to Released status after release.*

Part 7: Submit to IRS via IRIS Integration

7.1 Create IRIS Transmission

VERSION 27 FEATURE: Business Central v27 includes direct API integration with the IRS IRIS (Information Returns Intake System) platform. This allows you to submit 1099 forms electronically without leaving Business Central.

Prerequisite: You must have your IRIS Transmitter Control Code (TCC) before proceeding.

1. Search for IRIS Transmissions
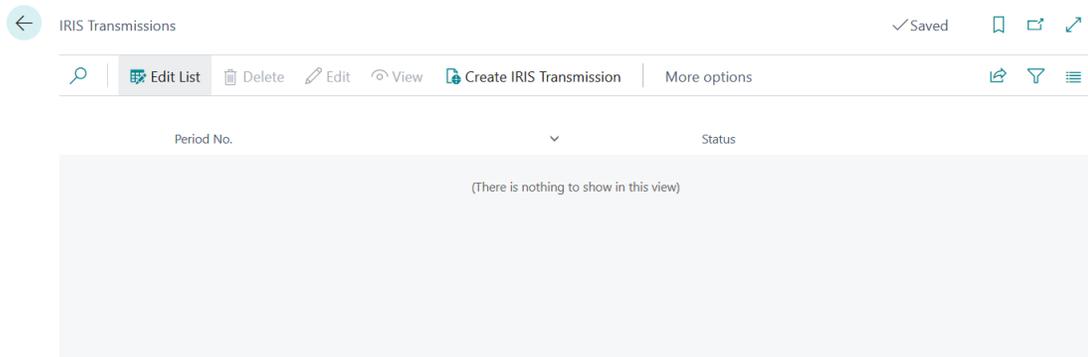
2. Click Create IRIS Transmissions to combine released documents
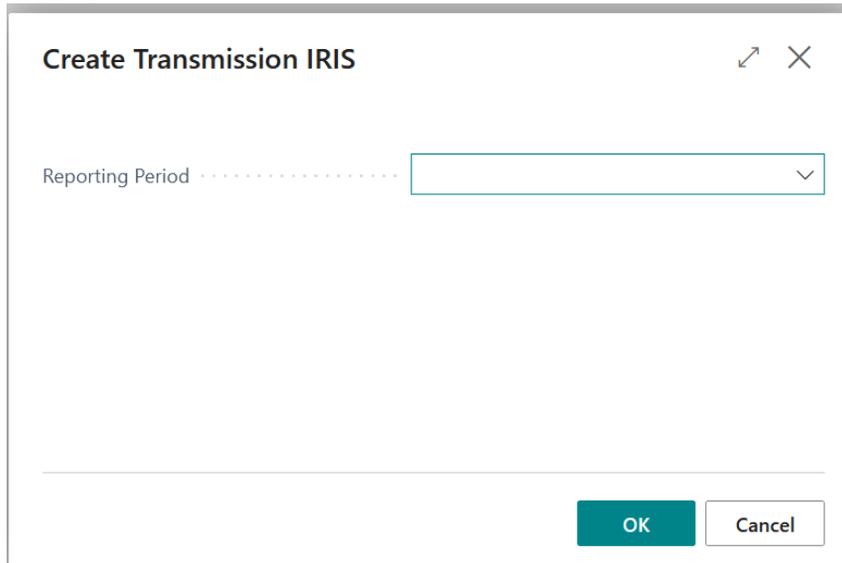
3. Enter the Calendar Year for the reporting period
4. Enter your Transmitter Control Code (5-digit code starting with 'D')

7.2 Enter Transmitter Information

1. Complete the Transmitter Information section: Company name and address, Contact name and phone number, Contact email
2. Complete the Vendor Information (software vendor — typically Microsoft)

7.3 Test Submission (Recommended)

1. Enable the Test File toggle
2. Click Send to submit a test file
3. Review the test results and correct any errors
4. Disable the Test File toggle when ready for production

7.4 Submit to IRS

1. From the IRIS Transmission page, click the Period No. to review
2. Verify all information is correct
3. Click Send to submit to the IRS
4. Monitor status on the IRIS Transmission page

7.5 Submission Status Codes

Status	Meaning
Submitted	Successfully sent to IRS, awaiting processing
Approved	IRS accepted the submission
Rejected	IRS rejected — review rejection details and correct

7.6 Correct and Resubmit (If Needed)

1. Open the rejected document from IRIS Transmissions
2. Click Allow Correction action
3. Click Reopen to edit the document
4. Make corrections
5. Click Release
6. Click Send Correction (only corrected lines are sent)

Part 8: Alternative — Export for Third-Party Submission

8.1 Option A: Magnetic Media Export (IRS FIRE Format)

If you don't have a TCC or prefer to use a third-party e-filing service, Business Central v27 provides export options.

This creates a file compatible with the IRS FIRE system or third-party services that accept FIRE-formatted files:

1. Search for IRS 1099 FIRE
2. Enter the Calendar Year
3. Enter Transmitter Control Code (if you have one) or leave blank for third-party submission
4. Complete Transmitter Information and Vendor Information sections
5. Enable Test File for review (optional)
6. Click OK — file downloads to your local machine
7. Review the file — verify each "B" record has Federal ID and correct amounts

Note: For BC Online users, IRIS API integration is the preferred method. The FIRE magnetic media export is primarily for on-premises users or third-party service uploads.

8.2 Option B: Manual Data Export to Excel

To gather data for manual entry or import into third-party software:

1. Search for IRS 1099 Form Documents
2. Create and review forms as described in Part 6
3. From the list, select the rows you want to export
4. Click Open in Excel or use Share → Download
5. Key fields available for third-party import:
- Vendor name and address
- Federal ID Number (TIN)
- Form type and box number
- Amount

8.3 Third-Party E-Filing Services

These IRS-authorized services have their own TCC and handle IRS submission on your behalf:

- **efile4Biz.com** — Direct upload or manual entry, no TCC required
- **Yearli.com** — Comprehensive 1099 and W-2 platform
- **Tax1099.com** — Online 1099 filing and printing
- **Track1099.com** — IRS-approved e-filing with recipient delivery

Note: When using third-party services, you do NOT need your own TCC — they use theirs to transmit on your behalf.

Part 9: Send Copies to Vendors

9.1 Email 1099 Copies to Vendors

VERSION 27 NOTE: Business Central v27 sends copy substitutes printed on plain paper — you do not need to purchase preprinted IRS 1099 forms. These substitutes contain all required information and are IRS-compliant.

For vendors who consented to electronic delivery:

1. Verify email accounts are set up under Email Accounts in BC
2. Go to IRS 1099 Form Documents
3. Select the vendors to email (use Ctrl+Click for multiple)
4. Click Send Emails
5. Select Report Type: Copy B (for vendor) or Copy 2 (for vendor's state filing)
6. Click OK
7. Check Copy B Sent or Copy 2 Sent checkboxes to confirm delivery

Note: You can only email vendors after the document Status is Submitted. Review the Activity Log for any failed emails.

9.2 Print 1099 Copies

For vendors without electronic consent, print and mail copy substitutes:

1. From IRS 1099 Form Documents, select the document(s)
2. Click Print action
3. Select which copy to print: Copy B (for the vendor), Copy C (for the sender/your records), or Copy 2 (second copy for vendor's state filing)
4. Print and mail to vendors without electronic consent

Appendix: Troubleshooting and Tips

Common Issues and Solutions

Issue: Missing Federal ID Number

- Solution: Obtain W-9 from vendor and enter on Vendor Card
- The IRS will reject submissions without valid TINs

Issue: 1099 amounts are incorrect

- Solution: Check if 1099 code was assigned before invoices were paid
- Use Vendor Ledger Entries to manually adjust IRS 1099 Amount
- Use 1099 Adjustments for bulk corrections

Issue: Cannot email to vendor

- Solution: Verify 'Receiving 1099 E-Form Consent' is enabled on Vendor Card
- Check that email address is populated
- Verify Email Accounts are configured in Business Central
- Confirm document Status is 'Submitted' (required before emailing)

Issue: IRIS submission rejected

- Solution: Review rejection details in IRIS Transmission page
- Common causes: Invalid TIN format, missing required fields, incorrect amounts
- Use 'Allow Correction' → 'Reopen' → 'Release' → 'Send Correction' workflow

Issue: Cannot find legacy 1099 reports

- In version 27, legacy reports like 'Vendor 1099 Div', 'Vendor 1099 Misc' have been replaced
- Use IRS 1099 Form Documents for all 1099 processing
- Use 1099 Statistics and Vendor 1099 Information for reporting

Best Practices for Version 27

1. Apply for TCC early — at least 45 days before filing deadline
2. Test before production — always run test files using the Test File toggle
3. Collect W-9s proactively — request from new vendors immediately
4. Review amounts before year-end — don't wait until January
5. Document consent — keep records of vendor email consent
6. Create next year's period early — ensures new transactions are captured
7. Use the document-based workflow — track status from Open → Released → Submitted → Approved

Key Deadlines Reference

Form/Action	Deadline
1099-NEC to IRS	January 31
1099-MISC to IRS (paper)	February 28
1099-MISC to IRS (e-file)	March 31
Copies to Vendors	January 31
TCC Application	At least 45 days before filing

— End of Guide —

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